



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 10, 2001

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: J. Tyler McCauley  
Auditor-Controller

Subject: **Financial/Compliance Audits of 1999-2000 State Grants**

The Offices of the District Attorney, Public Defender, and Sheriff; the Department of Human Resources; the Probation Department; and the Countywide Criminal Justice Coordination Committee (CCJCC) receive grants from the State Office of Criminal Justice Planning and other State agencies. These grants require financial/compliance audits to ensure that State funding is used in accordance with applicable laws, regulations, policies and procedures.

The various departments requested that we arrange for the financial/compliance audits of the 1999-2000 State programs. A total of 43 grants (see Attachment) were included. To audit the grants, we contracted with the public accounting firm of Conrad & Associates, LLP, through our Master Agreement for As-Needed Contract Audits/Studies.

The auditors have reported their findings to the departments and copies of the reports have been sent to the appropriate State agencies. The auditors' reports identified a total of \$102,779 of questioned costs (less than one-half of one percent of the total grant expenditures), primarily the result of clerical errors, such as misclassifying a sub-grantee's costs and double claiming of an expense. The auditors also noted some minor weaknesses in internal controls; none were considered material in nature. The departments' responses to the reported findings and recommendations, which are included in the enclosed reports, indicate that the departments will take action to correct the reported problems.

Please call me at (213) 974-8301 if you have any questions, or your staff may call DeWitt Roberts at 974-0301.

JTM:JEM:BL

5-60report - Rpt Trans to Bd - Memo.doc

Attachment  
Enclosures

**Board of Supervisors**

**July 10, 2001  
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Enclosures

c: David E. Janssen, Chief Administrative Officer  
Steven Cooley, District Attorney  
Lee Baca, Sheriff  
Michael P. Judge, Public Defender  
Michael J. Henry, Director of Personnel  
Richard Shumsky, Chief Probation Officer  
Robert Mimura, Executive Director, CCJCC  
Executive Officer, Board of Supervisors  
Public Information Office  
Audit Committee (6)

**1999-2000 State Grants**  
**List of Grants/Periods Audited**

**Countywide Criminal Justice Coordination Committee Grants:**

Anti-Drug Abuse (ADA) Grant  
Drug Court Expansion  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse (ADA) Grant  
LADEP Project  
OCJP Grant  
No. DC99010190  
7/1/1999 - 6/30/2000  
7/1/2000 - 12/31/2000

**Department of Human Resources Grant:**

Child Development Programs  
Calif. Dept of Education Grant  
Contract No. GLPC-9018  
7/1/1999 - 6/30/2000

**District Attorney Grants:**

Anti-Drug (CRAFT)  
OCJP Grant  
No. DC98B10190  
7/1/1999 - 6/30/2000

Drug Endangered Children (DEC)  
OCJP Grant  
No. DG97010190  
7/1/1999 - 06/30/2000

Anti-Drug (NEST)  
OCJP Grant  
No. DC99127250  
7/1/1999 - 6/30/2000

Gang Violence - Lancaster  
OCJP Grant  
No. GV99C20190  
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Gang Violence - Lennox  
OCJP Grant  
No. GV99020190  
7/1/1999 - 6/30/2000

Career Criminal Prosecution  
OCJP Grant  
No. CP97080190  
7/1/1999 - 6/30/2000

Juvenile Accountability Incentive  
OCJP Grant  
No. IP98B010190  
4/1/1999 - 3/31/2000  
No. IP99B010190  
4/1/2000 - 6/30/2000

**District Attorney Grants (cont'd):**

Juvenile Offenders  
Intervention Network  
OCJP Grant  
No. JV98030190  
7/1/1999 - 9/30/2000  
No. JV98010190  
7/1/1999 - 6/30/2000

Major Narcotics Vendors  
Prosecution Program  
OCJP Grant  
No. NV99010190  
7/1/1999 - 6/30/2000

Special Emphasis Victim-Witness  
Assistance  
OCJP Grant  
No. SE97080190  
7/1/1999 - 6/30/2000

Stalking and Threat Assessment  
OCJP Grant  
No. V V9701090  
7/1/1999 - 6/30/2000

Statutory Rape Vertical  
Prosecution  
OCJP Grant  
No. SR97030190  
7/1/1999 - 6/30/2000

Victim Witness Assistance  
OCJP Grant  
No. V W97180190  
7/1/1999 - 6/30/2000

Spousal Abuser Protection  
Program (SAPP)  
Department of Justice Grant  
No. 99SA06A010  
7/1/1999 - 6/30/2000

Automobile Insurance Fraud  
Department of Insurance Grant  
Grant not numbered  
7/1/1999 - 6/30/2000

Workers' Compensation Insurance  
Fraud Program  
Department of Insurance Grant  
Grant not numbered  
7/1/1999 - 6/30/2000

**Probation Department Grants:**

Lancaster Gang Violence  
OCJP Grant  
No. GV99D20190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/THISP)  
OCJP Grant  
No. DC98C1090  
7/1/1999 - 6/30/2000

Lennox Gang Violence  
OCJP Grant  
No. GV99A20190  
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Repeat Offender Prevention (ROPP)  
BOC Grant  
No. 084-96  
11/2/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/THISP)  
OCJP Grant  
No. DC98C10190  
7/1/2000 - 12/31/2000

Juvenile Accountability (JAIBG)  
OCJP Grant  
No. IP98A10190  
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement  
Program (ADA/LADEP)  
OCJP Grant  
No. DC99010190  
7/1/1999 - 6/30/2000

Anti-Drug - Drug Court Expansion  
Project (ADA)  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Juvenile Accountability (JAIBG)  
OCJP Grant  
No. IP98A10190  
7/1/2000 - 12/31/2000

High School Graduate/GED Program  
OCJP Grant  
No. IP99A10190  
4/1/2000 - 3/31/2001

**Public Defender Grants:**

Vertical Defense of Indigents  
Project (VDI)  
OCJP Grant  
No. VI99010190  
7/1/1999 - 6/30/2000

Client Assesment Recommendation  
Evaluation Project (CARE)  
OCJP Grant  
No. IP98C10190  
4/1/1999 - 6/30/2000

**Sheriff Grants:**

Lennox Gang Violence  
Suppression Program  
OCJP Grant  
No. GV99B10190  
7/1/1999 - 6/30/2000

Lancaster Gang Violence  
Suppression Program  
OCJP Grant  
No. GV99E20190  
7/1/1999 - 6/30/2000

L. A. County Sheriff's Department  
Mentoring Program  
OCJP Grant  
No. ME96010190  
7/1/1999 - 6/30/2000

L.A. County Drug Court Expansion  
OCJP Grant  
No. DC97030190  
7/1/1999 - 6/30/2000

Region II Community Based  
Policing Program  
OCJP Grant  
No. CR99020190  
7/1/1999 - 6/30/2000

Community Oriented Multi-Agency  
Narcotics Enforcement (COMNE)  
OCJP Grant  
No. DC98D10190  
7/1/1999 - 6/30/2000

Juvenile/Parent Assistance  
& Accountability Program  
OCJP Grant  
No. IC98010190  
7/1/1999 - 6/30/2000

**COUNTY OF LOS ANGELES  
PUBLIC DEFENDER'S OFFICE**  
210 W. Temple Street, 19th Floor  
Los Angeles, California 90012

Report on Audit of OCJP Grant

For the Period  
July 1, 1999 through June 30, 2000

**CONRAD AND ASSOCIATES, L.L.P.**  
Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
July 1, 1999 through June 30, 2000

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Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

### INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Public Defender's Office for the grant and period as noted below.

<u>Grant Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
VI99010190	07/01/99 - 06/30/00	07/01/99 - 06/30/00

The amounts included in the OCJP program statements are the responsibility of the County of Los Angeles, Public Defender's Office management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grant Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grant Audit Program* and *Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Public Defender's Office prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grant and period audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 21, 2000 on our consideration of the County of Los Angeles, Public Defender's Office internal control structure over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grant. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Public Defender's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Leonard Aud Associates, L.L.P.*

November 21, 2000

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Status of Cash

For the Period  
July 1, 1999 through June 30, 2000

<b>Grant No. VI99010190</b>	
<b>July 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 72,139
Grant expenditures	(98,857)
<b>Cash on hand at end of grant period</b>	<b>\$ (26,718)</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

**Statement of Approved Budget and Costs Claimed**

For the Period  
July 1, 1999 through June 30, 2000

<b>Grant No. VI99010190</b>			
<b>July 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 97,736	97,736	-
Operating expenses	1,121	1,121	-
<b>Totals</b>	<b>\$ 98,857</b>	<b>98,857</b>	<b>-</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

**Statement of Costs Claimed and Accepted**

For the Period  
July 1, 1999 through June 30, 2000

<b>Grant No. VI99010190</b>					
<b>July 1, 1999 through June 30, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			<b>Note</b>
		<b>Costs Accepted</b>	<b>Costs Questioned</b>	<b>Costs Recommended for Disallowance</b>	
Personal services	\$ 97,736	97,736	-	-	
Operating expenses	1,121	1,121	-	-	
<b>Totals</b>	<b>\$ 98,857</b>	<b>98,857</b>	<b>-</b>	<b>-</b>	

See accompanying *Notes to OCJP Program Statements*.

## COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE

### Notes to OCJP Program Statements

For the Period  
July 1, 1999 through June 30, 2000

#### **Note 1: Background**

OCJP awarded Grant No. VI99010190 to the County of Los Angeles, Public Defender's Office for the following program objectives:

- Vertical Defense of Indigents

This program will improve services for minors and adult indigents as well as facilitate the speedy conclusion of VDI cases by providing "true vertical defense" for gang violence cases; enhance "true vertical defense" with vertical support services; improve coordination with the District Attorney's Hardcore Gang Unit by concentrating these cases in one caseload; and create a pool of expertise that can be utilized in Public Defender's Office training programs.

#### **Note 2: Summary of Significant Accounting Policies**

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Public Defender's Office financial records.

Form OCJP-201 was prepared by County of Los Angeles, Public Defender's Office personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.
- Audit Costs. Estimated audit costs related to OCJP grant can be claimed on the final Form-201 for an audit which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

## COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE

### Notes to OCJP Program Statements

(Continued)

**Note 2: Summary of Significant Accounting Policies, (Continued)**

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

**Note 3: Definitions**

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. Costs recommended for disallowance are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grant.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

We have audited the OCJP program statements of the County of Los Angeles, Public Defender's Office for the grant and period noted below, and have issued our report thereon dated November 21, 2000.

<u>Grant Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
VI99010190	07/01/99 - 06/30/00	07/01/99 - 06/30/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Public Defender's Office OCJP program statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant, noncompliance with which could have a direct and material effect on the determination of OCJP program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.



Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
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Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Public Defender's Office internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Public Defender's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Lowndes and Associates, L.L.P.*

November 21, 2000

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
July 1, 1999 through June 30, 2000

**PRIOR AUDIT FINDINGS**

The Grantee was previously audited by Conrad and Associates, L.L.P. There were no prior year audit findings.

## **COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
July 1, 1999 through June 30, 2000

### **EXIT CONFERENCE**

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Public Defender's Office noted below on November 21, 2000. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

#### County of Los Angeles, Public Defender's Office

Janet Yarbrough  
Wendy Edmisten  
Joanne Rotstein

Head, Management Services Division  
Fiscal Services Supervisor  
Project Manager

#### Conrad and Associates, L.L.P.

Gordon Ho

Staff Auditor

**COUNTY OF LOS ANGELES  
PUBLIC DEFENDER'S OFFICE**  
210 W. Temple Street, 19th Floor  
Los Angeles, California 90012

Report on Audit of OCJP Grant

For the Period  
April 1, 1999 through June 30, 2000

**CONRAD AND ASSOCIATES, L.L.P.**  
Certified Public Accountants  
1100 Main Street, Suite C  
Irvine, California 92614

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
April 1, 1999 through June 30, 2000

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Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

### INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Public Defender's Office (the Grantee) for the grant and period as noted below.

<u>Grant Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
IP98C10190	04/01/99 - 06/30/00	04/01/99 - 06/30/00

The amounts included in the OCJP program statements are the responsibility of the County of Los Angeles, Public Defender's Office management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grant Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grant Audit Program* and *Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Public Defender's Office prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grant and period audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2001 on our consideration of the County of Los Angeles, Public Defender's Office internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grant. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Public Defender's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Louise And Associates, L.L.P.*

March 1, 2001

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Status of Cash

For the Period  
April 1, 1999 through June 30, 2000

<b>Grant No. IP98C10190</b>	
<b>April 1, 1999 through June 30, 2000</b>	
Grant cash received	\$ 1,084,207
Cash Match	120,467
Grant expenditures	(1,204,674)
<b>Cash on hand at end of grant period</b>	<b>\$ -</b>

See accompanying *Notes to OCJP Program Statements*.



**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

**Statement of Approved Budget and Costs Claimed**

For the Period  
April 1, 1999 through June 30, 2000

<b>Grant No. IP98C10190</b>			
<b>April 1, 1999 through June 30, 2000</b>			
	<b>Approved Budget</b>	<b>Costs Claimed</b>	<b>Variance</b>
Personal services	\$ 520,375	410,142	110,233
Operating expenses	235,123	202,052	33,071
Equipment	621,826	592,480	29,346
<b>Totals</b>	<b>\$ 1,377,324</b>	<b>1,204,674</b>	<b>172,650</b>

See accompanying *Notes to OCJP Program Statements*.

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

**Statement of Costs Claimed and Accepted**

For the Period  
April 1, 1999 through June 30, 2000

<b>Grant No. IP98C10190</b>					
<b>April 1, 1999 through June 30, 2000</b>					
	<b>Costs Claimed</b>	<b>Per Audit</b>			<b>Note</b>
		<b>Costs Accepted</b>	<b>Costs Questioned</b>	<b>Costs Recommended for Disallowance</b>	
Personal services	\$ 410,142	410,142	-	-	
Operating expense	202,052	196,300	-	5,752	<b>4</b>
Equipment	592,480	592,480	-	-	
<b>Totals</b>	<b>\$1,204,674</b>	<b>1,198,922</b>	<b>-</b>	<b>5,752</b>	

See accompanying *Notes to OCJP Program Statements*.

## COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE

### Notes to OCJP Program Statements

For the Period  
April 1, 1999 through June 30, 2000

#### **Note 1: Background**

OCJP awarded Grant No. IP98C10190 to the County of Los Angeles, Public Defender's Office for the following program objectives:

- **Client Assessment Recommendation Evaluation Project (CARE)**

This program used funds under the Juvenile Accountability Incentive Block grant to refer juvenile clients of the Public Defender's Office to the CARE project for an assessment of the juvenile's needs and appropriate response by the Juvenile Justice System to those needs. Social workers working under this project provided assessments of minors to determine whether young offenders represent a risk to the community. They also formed the basis for effective treatment plans that address the issues that put youth at risk for delinquency. Social workers also provided consultation services, including early intervention to identify needed services, crisis counseling during the court processing and recommendations for disposition plans and conditions of probation in difficult cases.

#### **Note 2: Summary of Significant Accounting Policies**

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Public Defender's Office financial records.

Form OCJP-201 was prepared by County of Los Angeles, Public Defender's Office personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- **Equipment**. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.

## COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE

### Notes to OCJP Program Statements

(Continued)

#### Note 2: Summary of Significant Accounting Policies, (Continued)

- Audit Costs. Estimated audit costs related to OCJP grant can be claimed on the final Form-201 for an audit which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

#### Note 3: Definitions

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. Costs recommended for disallowance are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grant.

#### Note 4: Audit Cost

During our testing of audit cost, we noted that audit cost claimed of \$13,188 by the Grantee exceeds the allowable amount. As a result, operating cost of \$5,752 is recommended for disallowance.

Contracted audit fee	\$ 6,760
Add: 10% oversight fee from Los Angeles County, Auditor-Controller Office	<u>676</u>
Allowable audit cost	7,436
Audit cost claimed by the Grantee	<u>(13,188)</u>
Amount under (over) allowable audit cost	<u><u>\$ (5,752)</u></u>

## COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE

### Notes to OCJP Program Statements

(Continued)

#### Note 4: Audit Cost (Continued)

OCJP *Grantee Handbook*, Section 8153, states :

“Estimated audit costs related to OCJP grants can be claimed on the final OCJP 201 for an audit which will not be completed prior to submission of the final OCJP 201. The project must maintain documentation to support the estimated audit costs (i.e., copy of the CPA/auditor's audit fee schedule, executed audit contract or audit proposal).”

#### Grantee Response

We concur with the finding that \$5,752 should be disallowed. At the time the final expenditure claim was prepared we were unable to determine what the final auditing costs would be, therefore we reported the budgeted amount of \$13,188 for this category as our expenditure.

#### Auditor Comment

Questioned costs of \$5,752 remain as previously stated.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
525 Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, California 90012-2766

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

We have audited the OCJP program statements of the County of Los Angeles, Public Defender's Office for the grant and period noted below, and have issued our report thereon dated March 1, 2001.

<u>Grant Number</u>	<u>Grant Period</u>	<u>Audit Period</u>
IP98C10190	04/01/99 - 06/30/00	04/01/99 - 06/30/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Public Defender's Office OCJP program statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant, noncompliance with which could have a direct and material effect on the determination of OCJP program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Mr. J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Page Two

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Public Defender's Office internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Public Defender's Office management and is not intended to be and should not be used by anyone other than those specified parties.

*Conrad And Associates, L.L.P.*

March 1, 2001

**COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
April 1, 1999 through June 30, 2000

**PRIOR AUDIT FINDINGS**

This is the first year that Grant No. IP98C10190 was audited. Accordingly, no prior audit findings were noted.



## **COUNTY OF LOS ANGELES, PUBLIC DEFENDER'S OFFICE**

Report on Audit of OCJP Grant

For the Period  
April 1, 1999 through June 30, 2000

### **EXIT CONFERENCE**

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Public Defender's Office noted below on March 1, 2001. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

#### County of Los Angeles, Public Defender's Office

Wendy Edmisten  
Joanne Rotstein

Fiscal Services Supervisor  
Grant Coordinator

#### Conrad and Associates, L.L.P.

Gordon Ho

Staff Auditor